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doubtful criticism, desirable as such a feature would be, inasmuch as this task did not regularly fall within a comparative examination of the facts. But students will not often find a book that will give so good a bird's-eye view of the whole subject. J. H. HYSLOP.

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Die Bestellung der Privaten Beleuchtungsgesellschaften zu Stadt und Staat. Von Dr. JOHN HENRY GRAY. Jena, Gustav Fischer, 1893. — 167 pp.

In this monograph, which appears as the fourth number in the eighth volume of the publications of the *Staatswissenschaftlichen Seminar* at Halle, Professor Gray, now of the Northwestern University, has given us an excellent account of the experience of Vienna and Paris under the private ownership of their gas works. He shows that the Vienna company received its franchise without sufficient provision for public control, and that in consequence great discontent has existed, so that municipal ownership seems almost certain to follow the expiration of the present franchise in 1899.

In Paris, the present company entered in 1855 upon a fifty-year contract, which has secured to the city an advantage over most other cities that have private ownership. In addition to a tax of about eleven cents per thousand feet, and a fixed tax of \$40,000 a year, the city receives one-half of the excess of profit over fourteen per cent. These items of revenue to the city amount, according to Professor Gray, to about seven centimes per kubikmeter, or about forty cents per thousand feet. The price of gas to private consumers during the fifty years is about \$1.70 per thousand, and to the city one-half as much. The average price of the two, in view of the relative amounts sold in 1891, is about \$1.42. Deducting the forty cents tax, the net cost to the consumer, or the community, is \$1.02, as against from \$0.62 to \$0.77 in different parts of London.

The capital stock since 1870 has been limited to 84,000,000 francs, of which 30,000,000 have been practically canceled by a yearly reserve set apart for the purpose, in preparation for city appropriation of the works in 1905, soon to be noticed. The bonded indebtedness appears to be 232,400,000 francs. The total present capitalization is therefore 286,400,000 francs, or about \$5.17 per thousand feet of the gas used in 1891. This capitalization might be less, if the company were not obliged, in every asphalt-paved street and in every other street over forty-six feet wide, to lay two sets of mains,

one on each side of the street, — a requirement almost unknown in America. As Professor Gray implies that the bonds pay five per cent interest and are allowed to be sold at par to the stockholders in the same unwise manner, as far as the public are concerned, as in America, though they could be floated at three to three and one-half per cent, the interest charge must be about 11,620,000 francs, while the dividend charge of about forty-five per cent is 23,500,000 francs. This gives a total charge of \$7,024,000, which is 63.94 cents per thousand feet. This, deducted from the net price of \$1.02, leaves the cost of manufacture and distribution, including repairs and reserve fund, at forty-four cents. Permanent improvements apparently are paid for out of bond issues. If the bonds were sold on the market at par at three and one-half per cent, as Professor Gray says they could be, the net profit on the stock would be increased from forty-five per cent to fifty-one and four-tenths per cent. If the company were content with eleven and four-tenths per cent profit, and there were no taxes, the price might be reduced to sixty-three cents.

The redeeming feature in this contract is that in 1905 the city comes into possession, free of charge, of all the street mains and services, or probably one-half the entire value of the system, and is to have all the rest of the system at a price to be fixed by disinterested experts. Of course, no franchise or monopoly value will be paid for.

Professor Gray condemns this contract for not vesting in some public commission the power to reduce prices as circumstances warrant. He argues strongly and justly that a city should compel a reduction of price, instead of trying to derive revenue from either a public or private company. He also claims that the cheapness of gas manufacture in Paris is due to the freedom from "raids" and attacks by rival companies and to the length of the contract. Undoubtedly, these causes are important. Yet the cost of gas in Boston in 1892, manufactured by the Bay State Gas Company, and distributed by the Boston Gas Company, amounted, according to the report of the Massachusetts Gas Commission of January, 1893, to only \$0.604 per thousand feet, — an excess over the forty-four cents in Paris which is partly accounted for by the greater cost of labor and probably of materials, and the smaller out-put in Boston.

The author, while admitting that municipal ownership may ultimately be found desirable for our cities, claims that a far better immediate remedy for the evils of our present system has been

found in the commission idea. The benefits of the Massachusetts Gas Commission in gathering information may become very great ; but until their last report, they had not given the public the benefit, in their published statements, of what they had found as to the cost of gas manufacture, and even in their last report they do not give the items of cost ; nor have they ever given facts as to the cost of duplication of the various Massachusetts gas works or the cost of recently constructed new works. They admit in recent testimony before a committee of the Massachusetts legislature that the returns of the companies as to cost of plant and capitalization are accepted without investigation. Very few reductions in price have been made by the commission, despite many facts leading to a belief that, at present prices, the profits are abnormally high on the cost of duplicating the gas plants of the large cities of Massachusetts. These, and other facts that might be given, such as the growing demand for municipal ownership of lighting plants, show that there are grounds for less confidence than that felt by the author in the remedial virtues of the commission idea. A commission, however, if honest, able and fearless, is undoubtedly a great advance over our present frightful chaos, weakness and corruption in the relation of our cities to their lighting plants.

Professor Gray criticises the statistics of municipal gas works in the writings of the present reviewer as unreliable, but adduces only two reasons for the charge : first, that the fiscal year in the various cities treated begins at different times ; and second, that my tables show considerable variations in the price of materials and the consumption of gas at different times of the year. How these conditions, true in all gas companies, make one "lose confidence in the next thirteen tables" of statistical information in the work referred to, is not stated. Again, the author says, on page 159, that it needs only a "glance" at my writings to show that independence of politics has not been reached in cities possessing their own works. As a matter of fact it was carefully shown that in gas manufacture and distribution politics seems to figure in no way whatever in the ten cities owning their gas works, except to a rapidly diminishing extent in Wheeling and Philadelphia. Professor Gray is, however, quite right in saying that there is no uniform system of book-keeping in either our public or private gas companies, and no reliable statistics as to the latter in this country.

In furnishing valuable information on so many points and challenging discussion on others, Professor Gray has made a real contribution to the subject of his monograph.

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